

## **ARIZONA TITLE XXI PROGRAM FACT SHEET**

<b>Name of Plan:</b>	<b>KidsCare</b>
<b>Date Plan Submitted:</b>	June 23, 1998
<b>Date Plan Approved:</b>	September 18, 1998
<b>Date Plan Effective:</b>	October 1, 1997
<b>Date Amendment #1 Submitted:</b>	February 23, 1999
<b>Date Amendment #1 Approved:</b>	May 21, 1999
<b>Date Amendment #1 Effective:</b>	January 1, 1999
<b>Date Amendment #2 Submitted:</b>	May 26, 1999
<b>Date Amendment #2 Approved:</b>	August 23, 1999
<b>Date Amendment #2 Effective:</b>	October 1, 1999
<b>Date Amendment #3 Submitted:</b>	September 27, 1999
<b>Date Amendment #3 Approved:</b>	December 1, 1999
<b>Date Amendment #3 Effective:</b>	November 1, 1998
<b>Date Amendment #4 Submitted:</b>	October 31, 2000
<b>Date Amendment #4 Approved:</b>	January 26, 2001
<b>Date Amendment #4 Effective:</b>	October 1, 2000
<b>Date Amendment #5 Submitted:</b>	August 17, 2001
<b>Date Amendment #5 Approved:</b>	November 15, 2001
<b>Date Amendment #5 Effective:</b>	October 1, 2001
<b>Date Amendment #6 Submitted:</b>	June 27, 2002
<b>Date Amendment #6 Approved:</b>	September 19, 2002

### **Background**

- On June 23, 1998, Arizona submitted a title XXI plan to extend health coverage to children in families with gross incomes up to 150 percent of the Federal Poverty Level (FPL) in the State's Fiscal Year from July 1998 through June 1999. As part of this plan, the income limit was to automatically increase to 175 percent of the FPL on July 1, 1999, then to 200 percent of the FPL on July 1, 2000. KidsCare operates as a separate child health program.
- Under the State's Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS), children in families with the following income limits are covered: up to 140 percent of the FPL for children under age 1, up to 133 percent of the FPL for children ages 1 to 6, and up to 100 percent of the FPL for children age 6 or over born after September 30, 1983.

## **Amendments**

- Arizona submitted its first amendment on February 23, 1999, to add four reasons why a child would not be guaranteed an initial 12 months of continuous coverage. These four reasons are: 1) failure to cooperate in providing verifications required to establish eligibility, 2) whereabouts of the child are unknown, 3) child is a patient in an institution for mental diseases, and 4) child voluntarily withdraws from the program. (Continuing eligibility after the initial 12-month guaranteed period is for a 12-month period unless the member no longer meets the KidsCare eligibility criteria.)
- Arizona submitted its second amendment on May 26, 1999, to impose premiums on children in families with income above 150 percent through 200 percent of the FPL, effective October 1, 1999. The amendment also revised the phase-in of higher income limits, which had previously been approved to increase to 175 percent of the FPL on July 1, 1999, then to 200 percent of the FPL on July 1, 2000. The amendment involved a single increase, to 200 percent of the FPL effective October 1, 1999.
- Arizona submitted its third amendment on September 27, 1999, to target the reporting requirements regarding quality indicators, strategic objectives, and performance goals to the assurances and reports required by title XXI. On October 26, the State requested that two additions be made to this amendment: 1) a clarification that cost sharing of any kind will not be imposed on American Indians; and, 2) a request that children who have reached the lifetime limit on private insurance be considered uninsured for title XXI eligibility purposes.
- Arizona submitted its fourth amendment on October 31, 2000, to accept parental declaration of income for the KidsCare program.
- Arizona submitted its fifth amendment on August 17, 2001, to reduce the required period of uninsurance from 6 months to 3 months, waive the period of uninsurance requirement for children who are seriously or chronically ill, and establish a process for a hardship exemption for disenrollment due to non-payment of premiums. The amendment also removes eyeglass limitations, adds non-emergency transportation, and removes the 30-day limitations on inpatient and outpatient behavioral health stays so that the benefit package is equal to the Medicaid package.
- Arizona submitted its sixth amendment on June 20, 2002. This amendment updates and amends the SCHIP state plan to indicate the State's compliance with the final SCHIP regulations.

## **HIFA Demonstration**

Arizona will use title XXI funds to expand coverage to two populations: (1) parents of children enrolled in Medicaid or KidsCare with family incomes above 100 percent FPL and at or below 200 percent FPL, and (2) program adults over age 18 without dependent children and with family incomes at or below 100 percent of the FPL. Arizona expects to ultimately enroll nearly 50,000 adults under the HIFA initiative. There is a separate HIFA fact sheet for Arizona at: <http://www.cms.gov/hifa/hifaadem.asp>.

## **Children Covered Under Program**

- The State reported that 86,863 children were ever enrolled in KidsCare during Federal fiscal year 2001.

## **Administration**

- This program is administered by the State Medicaid agency, the Arizona Health Care Cost Containment System (AHCCCS).

## **Health Care Delivery System**

- Arizona provides KidsCare services through established AHCCCS health plans. American Indians may choose to receive services through the Indian Health Service (IHS), 638 tribal facilities, or one of the AHCCCS plans.

## **Benefit Package**

- The benefit package is the Medicaid benefit package. If an American Indian selects the IHS or a tribal facility, AHCCCS provides any KidsCare services not provided by these entities on a fee for service basis off-reservation.

## **Cost Sharing**

- For all non-Indian members, a \$5 copayment on the non-emergency use of the emergency room is assessed. This copayment can be waived if the member cannot afford to pay. Also for all non-Indian members, premiums are imposed on children in families with income above 150 percent through 200 percent of the FPL. The premium amounts are \$10 for one child and \$15 total for two or more children in families with income above 150 percent through 175 percent of the FPL. The premium amounts are \$15 for one child and \$20 total for two or more children in families with income above 175 percent through 200 percent of the FPL.
- Families are advised that the total cost sharing under KidsCare cannot exceed 5 percent of the family's income. Families are advised to contact AHCCCS if the total cost sharing will exceed the 5-percent limit. Upon notification, AHCCCS makes changes to the system to stop the imposition of monthly premiums and advises the family that they do not have to pay a \$5 copayment if they use the emergency room for a non-emergency condition.
- There is a hardship exemption to the disenrollment process for non-payment of premiums. The hardship criteria include medically necessary expenses or insurance premiums that are not covered under Medicaid or other insurance for non-SCHIP eligible household members that exceed 10 percent of the household's countable income, unanticipated major expenses related to maintenance of shelter or transportation to work, and death of a household member.

## **Coordination Between SCHIP and Medicaid**

- The State uses a joint application for KidsCare and Medicaid. Medicaid screening is part of the KidsCare eligibility determination process. Records of KidsCare eligibility are maintained in a database that is also used for Medicaid eligibility. The database is checked for current Medicaid eligibility before determining KidsCare eligibility. Medicaid eligibility always overrides KidsCare eligibility.
- Formal referral processes are in place between governmental and community agencies which aid in the identification, referral and enrollment of uninsured children in the appropriate program.

## **Crowd-Out Strategy**

- Children must be without group health insurance for 3 months in order to be eligible for KidsCare. Eligibility workers will obtain a declaration as to whether the family member or employer has voluntarily discontinued employer-sponsored dependent insurance coverage in order to allow a child to participate in KidsCare. Exceptions to the 3-month period of uninsurance will be granted for newborns, for children who lost coverage due to a parent's involuntary loss of employment, for children who have reached the lifetime limit on private insurance coverage, and for children who are seriously or chronically ill.
- AHCCCS monitors substitution under its Quality Control and Quality Assurance process to analyze the extent to which applicants drop other health coverage.

## **Outreach Activities**

- Education regarding KidsCare is conducted through collaborative arrangements with other state, county and city agencies as well as programs that conduct education in rural and inner-city areas. Efforts are designed to inform families about the availability of the KidsCare program, provide basic information about eligibility and instruct families about how and where to apply for the program. Information about Medicaid and the state-funded programs is included as part of the overall strategy for enrollment. Organizations distributing the applications and information about KidsCare are provided training as needed to assist with completing the application form and collecting information as necessary.
- Education efforts and the distribution of applications are targeted to those agencies, organizations and other entities that currently serve targeted low-income children. Organizations distributing the applications and information about KidsCare are offered training to assist with completing the application form and collecting information. An applicant may also receive assistance to complete the application form by calling the AHCCCS 24-hour toll-free number.

## **Financial Information**

Total FFY '02 Allotment - \$87,166,211

FFY '02 Enhanced Federal Matching Rate: 75.49%

FFY '03 Enhanced Federal Matching Rate: 77.08%

FFY 2002:

State share: \$17,166,311

Federal share: \$52,871,677

Total: \$70,037,988

FFY 2003:

State share: \$17,056,012

Federal share: \$57,359,396

Total: \$74,415,408

*Last update: October 15, 2002*